

due or to become due and payable by THE COMPANY and shall keep, perform and observe, all and singular, the covenants and stipulations in said issues of Bonds and in said ORIGINAL INDENTURE and in this SUPPLEMENTAL INDENTURE, expressed or indicated to be kept, performed and observed by and on its part, then these presents and the estate and rights hereby granted shall cease, determine and be void, otherwise to be and remain in full force and effect.

THE COMPANY hereby confirms unto THE TRUSTEE the conveyances and assignments of assets made to THE TRUSTEE by and under the terms of said ORIGINAL INDENTURE, and, in addition to subjecting the same to all terms, conditions and covenants contained in said ORIGINAL INDENTURE, does hereby subject the same to all terms, conditions and covenants of this SUPPLEMENTAL INDENTURE to the end and for the purpose of equally and ratably securing the 5% First Mortgage Bonds, Second Series, issued hereunder with the 5% First Mortgage Bonds issued under said ORIGINAL INDENTURE. Except as herein specifically altered, modified or amended, all terms, conditions and covenants contained in said ORIGINAL INDENTURE shall continue in full force and effect and shall serve as security for the payment of principal and interest of the Bonds issued thereunder and of the Bonds issued hereunder.

THE COMPANY covenants that it is lawfully seized and possessed of all of the property described in said ORIGINAL INDENTURE, and has good title thereto; that said property is free and clear of all encumbrances of every kind and character, except those created by said ORIGINAL INDENTURE in favor of THE GUILFORD NATIONAL BANK OF GREENSBORO, as Trustee for the Bonds therein described, current taxes, and conditions, reservations and restrictions of record which do not adversely affect the use of the same; that it has full power and lawful authority to sell, convey, mortgage,